

Committee on Justice and Public Safety

A resolution requesting the United States Congress amend or revise the Biggert–Waters Flood Insurance Reform Act and FEMA Mapping procedures to account for all flood reducing structures.

Issue: Changes made to the National Flood Insurance Program and the release of inaccurate flood maps are causing dramatic increases in the cost of flood insurance.

Proposed Policy:

NACo supports a sustainable, fiscally responsible National Flood Insurance Program that protects the businesses and homeowners who built according to code and have followed all applicable laws. However, changes made to the NFIP in the Biggert-Waters Act of 2012 threaten to harm the very citizens the program was designed to protect. NACo urges Congress to amend the Biggert-Waters Act to keep flood insurance rates affordable while balancing the fiscal solvency of the program. NACo urges Congress to reinstate grandfathering of properties (not policies) that were built to code, have maintained insurance, have not repeatedly flooded, etc. and to implement rate structures that reflect an economically reasonable and slower increase in rates to actuarial rates.

Background:

Drastic premium increases will threaten all of coastal and riverine America as new FEMA flood maps are unveiled in the coming years. Through the passage of the Biggert–Waters Flood Insurance Reform Act (Public Law 112-141, aka: BW12) signed into law by President Obama on July 6th of 2012, the NFIP was revised such that the public’s trust and reliance on the program to provide affordable flood insurance protection for prior investments in their homes and businesses were essentially discontinued with no practical alternative provided for and this passage substantially and immediately devalued the investments made in all properties through the drastic increase in the cost of flood insurance and all other properties in the area. In some cases, premiums are increasing to over \$28,000 for homes and \$100,000 for businesses for policy holders that have never flooded. This will severely impact county governments as property values will plummet and tax bases will erode.

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Fiscal/Urban/Rural Impact: Left unchanged, Biggert-Waters will threaten all of coastal and riverine America. Properties will become unsellable and lose value. Homeowners will likely lose their greatest investments and banks will lose mortgage portfolios at no fault of their own.

Sponsor:[Name, Title, County of sponsor]